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CENTRAL ASIAN REPUBLICS

May 16, 2006

USAID/CAR Bi-weekly Report

Regional

USAID Facilitates Cooperation among the Region's Think Tanks

More than 30 researchers took part in the first regional gathering of economic policy think tanks in Central Asia from March 31 to April 1, 2006 in Almaty. The conference was organized by two USAID programs: the Economic Policy Reform Project, administered by BearingPoint, and the Participant Training Program, implemented by the Academy for Educational Development. The three-day conference gathered think tank representatives from Uzbekistan, Kazakhstan, Kyrgyzstan, and Tajikistan. It focused on improving economic analysis, knowledge, and skills of think tanks and strengthening their management capacity.

One of the key achievements of the conference was the established cooperation among the think tank organizations of the four Central Asian countries. Think tanks have had relatively little impact on economic policy in the region, in part because they are small and have not worked together. Strengthening these organizations will improve the public debate regarding economic policies in the region and facilitate economic reforms, ultimately leading to greater prosperity in each country and throughout Central Asia.



*USAID's conference brought together researchers from Kazakh, Kyrgyz, Uzbek, and Tajik economic policy think tanks.
Photo: BearingPoint*

Kazakhstan

The United States and Kazakhstan Launch a Joint Program for Economic Development

On May 5, 2006, USAID and the Government of Kazakhstan signed an agreement that commences a four-year \$40 million program aimed at advancing Kazakhstan's economic development. The Program for Economic Development (PED) is an offshoot of the Houston Initiative, originated during President Nursultan Nazarbaev's official visit to the United States in December 2001. PED seeks to: a) expand access to finance and investment; b) strengthen human capital through improved business knowledge and access to information; c) increase business competitiveness and growth; and d) boost Kazakhstan's integration into the global economy. Under the agreement, technical assistance, such as consulting services, training, and research and analysis, will be provided to both government and non-government institutions. This assistance will strengthen Kazakhstan's capacity to achieve its development goals.



*USAID Mission Director C. Crowley and Vice-Minister of Economy and Budget Planning B. Palymbetov signed the agreement on May 5.
Photo: USAID*

Kazakhstan is the first country to share directly in the cost of the U.S. Government's foreign assistance program. Thus, the PED marks an important new phase in the two countries' development cooperation. The Government of Kazakhstan's share will increase from 25% in the first year to 50% in the final year.



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U.S. Vice President Visits Kazakhstan

During his visit to Kazakhstan from May 5-6, 2006, Dick Cheney met with Kazakh President Nursultan Nazarbaev in Astana and signed agreements on preventing nuclear proliferation and expanding economic cooperation. At a joint news conference, Nazarbaev described the United States as "the largest investor in our country." Nazarbaev said that, under one of the agreements, the United States will allocate \$158 million to Kazakhstan for destruction of infrastructure related to weapons of mass destruction. Cheney also met with prominent opposition leaders, including former presidential candidate Zharmakhan Tuyakbai, chairman of the For a Just Kazakhstan movement, as well as representatives of the Ak Zhol (Bright Path), Naghyz Ak Zhol (True Bright Path), and Communist parties.

USAID's Central Asia Scholarship Fund Receives Support from the Government of Kazakhstan

On May 4, 2006, Deputy Prime-Minister of the Republic of Kazakhstan Masimov ordered the Ministry of Education to ensure the implementation of the USAID Central Asia Scholarship Program and to allocate \$200,000 for the first year of the program that was started in March 2006. The scholarship program provides financial assistance to region's students to attend qualified degree programs in business and economics at Kazakhstan's top educational institutions. With current funding it is expected that the program will benefit approximately 50 young people from Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and, potentially, Uzbekistan and Afghanistan.

Kyrgyzstan

President Bakiev Approves the Millennium Challenge Corporation's (MCC) Threshold Country Plan for the Kyrgyz Republic

On May 10, 2006, President Bakiev approved for submission to the MCC a plan that outlines steps to address critical governance issues that Kyrgyzstan must improve to be eligible for MCC Compact status. Kyrgyzstan has been selected by the MCC for threshold status as a country nearly meeting qualification criteria to receive a substantial country compact grant.

The plan consists of three components: 1) Judicial Reform, 2) Reducing Corruption in Law Enforcement, and 3) More Effective Criminal Prosecutions. These reforms will increase the independence of the judiciary, put more stringent processes in place for the hiring of Ministry of Internal Affairs staff, and shift some responsibilities from the procurator's office to courts.

USAID-supported NGOs and the Kyrgyz Government Will Cooperate to Improve NGO-related Legislation

The Association of Civil Society Support Centers (ACSSC) and the International Center for Not-for-profit Law (ICNL) and the Ministry of Labor and Social Protection of the Kyrgyz Republic will work together to develop a Law of the Kyrgyz Republic "On Social Order," which will provide mechanisms of state funding for not-for-profit organizations (NGOs). According to the memorandum of understanding, signed on April 27, 2006, ICNL will provide expert evaluation of the draft law, which has already been developed by the ministry. The ACSSC will conduct public discussions on the draft law across the country; the resulting proposals will then be forwarded for the ministry's consideration. The law will create a legal basis for the allocation of financial resources for social needs through

state purchase orders based on open competition. This will also contribute to long-term sustainability of the many public organizations that are active in the country. It is planned that the draft law "On Social Contract" will be submitted to the Kyrgyz Parliament by the end of June, 2006.



*Representatives of the Ministry of Labor and Social Protection of the Kyrgyz Republic and NGOs signing a memorandum of understanding.
Photo: ACSSC*



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USAID supports the ACSSC as the primary vehicle of long-term support for Central Asia's civil society actors. Each association member provides a wide range of services to community stakeholders, including NGOs, community-based organizations, media, and the private sector. The USAID-funded ICNL renders legal assistance to NGOs and initiative groups through a cadre of professional non-profit lawyers.

Kyrgyz Government Presents its Agricultural Development Strategy, developed with USAID support, and praises a USAID project as a model donor project

The Ministry of Agriculture, Water Resources, and Processing Industry presented the agricultural strategy for the Kyrgyz Republic through 2011, titled "Vision for Agricultural Development," to representatives of the Government and private sector and international donors on April 28. Through its Kyrgyzstan Agri-Input Enterprise Development Project, USAID played a key role in facilitating the final draft of the strategy. At the presentation, the Minister of Agriculture also praised the USAID project as a model that the ministry would like to expand nationwide to strengthen Kyrgyzstan's agri-business development.

The strategy identifies priority areas in the sectors of agro-processing and livestock production, as well as key problems and the Government's objectives in those areas. The participants of the meeting agreed to the following principles of cooperation for agricultural development: shared vision, government ownership of program implementation, identifying and prioritizing medium term actions, sources of funding, coordination of projects, and increased local responsibility. It is expected that the new strategy will focus more policy-level attention to the sector's development, help increase the Government's and private sector's buy-in to USAID's agricultural projects as well as improve coordination of donor activities.



*Kyrgyz agribusiness representatives took a keen interest in the presented strategy.
Photo: KAED*

Tajikistan

The USAID Commercial Law Project Works with Tajik Government on Civil Code Amendments

On May 4, 2006, USAID's Commercial Law Project, jointly with the Presidential Administration of the Republic of Tajikistan, sponsored a conference to discuss the proposed amendments to the Civil Code of the Republic of Tajikistan, Part 1. The conference was an important step in the process of updating laws covering commercial relations among physical persons and legal entities, contract law, property rights and their protection, secured transactions and lending law, and the law of legal entities. At the event, Tajik and international civil law experts discussed the plan to amend the Civil Code with representatives of government, courts, the business community, academia, public associations, and the international community.

USAID has been working closely with the Government of Tajikistan for several years to improve and expand the Civil Code, train judges and lawyers in its application, and provide Civil Code commentary for legal professionals. In 2004, USAID's Commercial Law Project, implemented by ARD/Checchi, published and distributed 1,300 copies of A Commentary on Civil Code, Part 1, authored by Tajik experts. The USAID Commercial Law Project also assisted in drafting Part 3 of the Civil Code, adopted by Parliament in 2004.



*Deputy Minister of Justice R. Mengliev, Head of the Legal Department of the President's Office J. Davlatov, and U.S. Ambassador R. Hoagland attended the conference.
Photo: USAID Commercial Law Project*